Arkansas Science & Technology Authority
Board of Directors – Policy Manual
September 19, 2003

Purpose: The Arkansas Science & Technology Authority Board of Directors Policy Manual is the framework for documenting Board policies.

Scope: The Policy Manual incorporates Board policies for staff activities.

Authority: "In the furtherance of its purposes, the authority shall have all the powers necessary to carry out its purposes, which shall include, but not be limited to: (1) Make, amend, and repeal bylaws, rules, and regulations for the management of its affairs…" (Reference: Arkansas Code Annotated 15-3-108 (c)(1).)

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Section 1: Records of the Authority

The President shall:
- keep the records of the Authority,
- keep the minutes of all meetings of the Board of Directors,
- keep a record of the proceedings of the Authority in a journal,
- give notice of meetings of the Board of Directors,
- submit to the Board two weeks in advance of a Board meeting all available material,
- present to the Board an Operating Report on a regular basis, and
- perform all duties incident to the office, or conferred on the office, by the Board of Directors.

(**Reference.** Board Resolution 85-1, amended May 19, 2000.)

(**Amended.** Board of Directors Minutes September 19, 2003)

Section 2: Professional Service Contracts

Professional service contracts shall be approved by the Board of Directors except that (a) contracts in amounts more than $5,000 and less than $25,000 can be approved by the Executive Committee and (b) contracts in amounts less than $5,000 can be approved by the President.

(**Reference.** Board Resolution 85-1.)
(**Amended**. Board of Directors minutes September 20, 2002)

Section 3: Quarterly Financial Reports

The President shall prepare and submit to the Board of Directors, for their acceptance, a full and complete quarterly report or statement of all monies received and expended and of the existing condition of the funds and assets of the Authority for each quarter.

(**Reference.** Board of Directors Bylaws, 1986.)
(**Amended**. Board of Director's Minutes September 19, 2003)

Section 4: Committee Minutes

Each committee shall keep minutes at its meetings and report them to the Board of Directors at the next subsequent meeting of the Board.

(**Reference.** Board of Directors Bylaws, 1986.)

Section 5: Bidding Process for Certificates of Deposit (Revised)

Title: Bidding Process for Certificates of Deposit

Purpose: To ensure the monies of the Investment Fund are invested in Certificates of Deposit yielding the prevailing market rate of interest.

Scope: The scope of this administrative process is limited to the Seed Capital Investment Fund

Responsibility: Finance Program Manager

Procedure: Upon the maturity date of any Certificate of Deposit held by the Authority the Finance Program Manager (FPM) shall seek out the current prevailing market rate of interest. This shall be accomplished by establishing comparable market interest rates on one-year Certificates of Deposit offered by banks in the state of Arkansas in an amount not to exceed $ 100,000.

The first step requires the FPM to contact the existing geographically dispersed

banks that the Authority has a Certificate of Deposit investment with, and that are currently maturing, to request a current yield quotes for one-year jumbo Certificates of Deposit.

The next step involves requesting quotes for one-year jumbo Certificates of Deposit from at least four additional geographically dispersed banks. From this random selection of quotes the staff takes a simple average yield and uses this as the proxy current market rate of interest. All quotes shall be documented, in writing, by the FPM on the enclosed sample Certificate of Deposit bid sheet form and kept in a readily accessible folder.

Upon comparison of the currently offered quotes to the proxy current market yield the FPM will reinvest certificates of deposit held at existing banks in an amount of $ 95,000, for a time period not to exceed 366 days, if the quoted yield is within 25 basis points of the proxy current market interest rate.

If the quoted yield is outside the 25 basis point spread of the proxy current market interest rate the FPM will start reinvesting funds in amounts of $ 95,000 from the highest yield offered downward in terms not to exceed 366 days.

Upon completion of the bidding process the FPM shall forward the completed Certificate of Deposit bid sheet to the Vice President Finance and the Fiscal Officer.

Definitions: Certificate of deposit (CD):   also called a time deposit, this is a certificate issued by a bank or thrift that indicates a specified sum of money has been deposited. A CD bears a maturity date and a specified interest rate, and can be issued in any denomination. The duration can be up to five years.

Basis point: in the fixed income market, the smallest measure used for quoting yields is a basis point. Each percentage point of yield in fixed income securities equals 100 basis points. Basis points also are used for interest rates. An interest rate of 5% is 50 basis points greater than an interest rate of 4.5%.

Bid Process Change History

Revision Number	Date Approved	Revision Summary
0	January 21, 1994	Board Policy Resolution (un-numbered)
1	November 5, 1998	Original Version of ADM 100 replaced Board Resolution 93-14
2	May 19, 2000	ADM 100 incorporated into Policy Manual

Section 6. Technology Transfer Assistance Grants

The President of the Authority is authorized, on behalf of the Authority, to execute and deliver all documents relating to projects of the Technology Transfer Assistance Grant Program. The

President shall report to the Board of Directors on projects approved for funding.
(**Reference.** Revision to Manual, May 19, 2000.)
(**Amended**. Board of Directors minutes June 6, 2000)

Section 7: R&D Tax Credit Approval

The President of the Authority is authorized to issue and process tax credit applications in accordance with Act 759 of 1985, for research projects previously approved by the Board.

(**Reference**. Board of Directors minutes March 4, 1988)

The President of the Authority is authorized to issue and process tax credit applications in accordance with Act 182 of 2003, for research and development projects previously approved by the Board.

(**Reference**. Board of Directors minutes September 19, 2003)

Section 8: Amendments to the Policy Manual

The Policy Manual may be altered, amended, or repealed by the Authority's Board of Directors. This manual will be reviewed annually by the Board of Directors.

Policy Manual Change History

Arkansas Science & Technology Authority		
Document Title: Board of Directors Policy Manual		
The Policy Manual replaced the "Bylaws of the Arkansas Science & Technology Authority" dated January 16, 1986 and all prior resolutions of the Authority that are of a policy nature. All future policy decisions of the Board shall be incorporated in this manual.		
Revision Number	Date Approved	Revision Summary
	03-17-95	First Creation
1	03-01-96	Revision 1.
2	05-19-00	Revision 2. Streamlined language by removing references from Bylaws. Added TTAG authority. Incorporated ADM 100 – CD Bid Process. Reordered sections.
3	09-20-02	Revision 3. Update Professional Service Contract amounts to match Procurement laws.
4	09-19-03	Revision 4. Add new section 7 R&D Tax Credit Approval and renumbered following sections.

Approval
Approved by the Board of Directors
 on this
19th day of September 2003

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Secretary

Board of Directors